(1)	(2)	(3)
12.	France (Revised) . .	1996-97
13.	F. R. G. (Original) . .	1958-59
14.	F. R. G. (Protocol) . .	1984-85
15.	G. D. R.	1985-86
16.	Greece	1984-85
17.	Hungary	1989-90
18.	Indonesia	1989-90
19.	Italy	1978-79
20.	Japan (Revised) . .	1991-92
21.	Kenya	1985-86
22.	Libya	1983-84/ 1984-85
23.	Malaysia	1973-74
24.	Mauritius	1983-84
25.	Nepal	1990-91
26.	Netherlands . . .	1990-91
27.	New Zealand . . .	1988-89
28.	Norway	1988-89
29.	Poland	1991-92
30.	Romania	1989-90
31.	Singapore (Revised) . .	1995-96
32.	South Korea . . .	1987-88
33.	Srilanka (Revised) . .	1981-82
34.	Sweden (Revised) . .	1990-91
35.	Syria	1983-84
36.	Tanzania	1982-83/ 1983-84
37.	Thailand	1987-88/ 1988-89
38.	U. A. E.	1995-96
39.	U. A. R.	1969-70/ 1970-71
40.	U. K. (Revised) . .	1995-96
41.	U. S. A.	1992-93
42.	U. S. S. R. (Now Applicable to Russia) . . .	1991-92
43.	Zambia	1979-80

Agreement between India and Pakistan on Smuggling of Narcotics

1980. SHRI ISH DUTT YADAV:
SHRI G. Y. KRISHNAN:
PROF. VIJAYA KUMAR MALHOTRA:

Will the Minister of FINANCE be pleased to state:

(a) whether a meeting had taken place between the Secretary (Narcotics) Pakistan and the Secretary (Revenue), India in the recent past on narcotics control;

(b) if so, the details of the matters discussed therein;

(c) the outcome thereof; and

(d) the concrete steps taken by Government to check the smuggling of narcotics from Pakistan to India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (c) Yes, Sir. The first Bilateral Meeting between Secretaries of India and Pakistan to combat drug trafficking and smuggling was held in New Delhi on 15-16 September, 1994. Both sides reviewed the drug trafficking situation in the respective countries and offered assistance for making co-operation between the two countries on narcotics related matters successful. The general topics covered during the Meeting included strengthening the mechanism of information/intelligence sharing by speedy communication at the field level co-operation in identifying and neutralize major drug operators on either side and frequent consultation on drug matters.

The outcome of the Meeting was positive in improving the bilateral arrangement for combating the drug trafficking between two countries.

(d) Instructions have been issued to all enforcement agencies to maintain the utmost vigil and step-up enforcement efforts under the stringent provisions contained in the NDPS Act. A part of Indo-Pak border has been fenced. BSF and Coast Guard have been empowered under the Customs Act to interdict narcotic drugs in border areas.

Show Cause Notices Served on Erring Banks

1981. DR. BIPLAB DASGUPTA:
SHRI ASHOK MITRA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering action against banks involved in the 1992 Security Scam for violation of Banker's Receipts the main source of the Security Scam; and

(b) if so, whether that was a part of the show cause notices served on the erring banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Reserve Bank of India (RBI) has intimated that show cause notices were issued leading to imposition of penalty to 20 banks for having undertaken operations in Portfolio Management Scheme (PMS) and Ready Forward (RF) transactions in violation of RBI's instructions. A show cause notice was also issued and penalty imposed on one bank for default in the maintenance of Statutory Liquidity Ratio (SLR) on account of irregularities in securities transactions. RBI has further intimated that

since the Bankers' Receipts were used by banks in a manner contrary to the existing regulations, which facilitated these irregularities, the penalties imposed for irregular PMS and RF transactions also took care of misuse of BRs largely. However, violation of BRs was not a specific item in the show cause notices issued to banks since such notices were issued specifically for violation of RBI's instructions on PMS and RF transactions. In the case of various other lapses in observance of the regulatory framework, separate notices were issued to 37 banks with regard to withdrawal of exemption from the maintenance of 10% incremental CRR.

Capital Adequacy Ratio of Commercial Banks

1982. SHRI DIPANKAR MUKHERJEE : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that in terms of economic survey 1993-94. Government desired that Public Sector Banks should resort to public issues to reach minimum capital adequacy ratio;

(b) what was the capital adequacy ratio of Oriental Bank of Commerce before going public; and

(c) whether it was more than that prescribed by Government, if so, what were the compelling factors for which Government allowed disinvestment of its shares in Oriental Bank of Commerce ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) Yes, Sir. In terms of para 35 of Chapter 3 of the Economic Survey 1993-94 it has been inter-alia stated that as Government resources are limited, banks have to mobilise debt and equity resources from the public. RBI has intimated that banks which are in a position to go public to raise their capital funds in the form of equity will be allowed to do so.

(b) 10.2% as at 31st March, 1994.

(c) The CRAR norm prescribed by RBI was 8% by 31st March, 1996 for banks without branches abroad. Oriental Bank of Commerce has achieved the norm as at 31st March, 1994. However, the bank has been permitted to further raise its level of capital for the following reasons also in addition to achievement of capital adequacy norm :—

(i) with the growth in deposits, funded-risk assets and off-balance sheet items would increase commensurately and this would necessitate enhancement in net worth to comply with capital

(ii) As per the present RBI guidelines on lending under consortium arrangement, the share of a bank as a member of the consortium should be minimum of 5% of the fund based credit limits so as to ensure meaningful participation. This requires the banks to raise their level of capital.

(iii) The banks have also to observe the credit exposure norm of 25% of the net worth in the case of individual borrower and 50% in the case of group borrowers. to enable the bank to give credit to big borrowers/clients, enhancement of capital is necessary.

Writting off High Value Account

1983. SHRI DIPANKAR MUKHERJEE :

SHRIMATI CHANDRAKALA PANDEY :

Will the Minister of FINANCE be pleased to state :

(a) whether Government are considering making it obligatory on Public Sector Banks to refer to Special Recovery Tribunal before writing off or entering into a compromise in respect of loans where limits of loan or outstanding loans exceed Rs. 10 lakhs;

(b) if so, what is the present position in this regard; and

(c) if not, what steps Government are contemplating to guard against collusive write offs/compromises in high value accounts ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) to (c) There is no proposal regarding making it obligatory on public sector banks to seek approval of Special Recovery Tribunals before writing off or entering into a compromise in respect of loans exceeding Rs. 10 lakhs. RBI has however, issued guidelines to the banks regarding write off and compromise proposals.

Violation of Central Excise Act by Reliance Industries

1984. DR. NAUNIHAL SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Finance Ministry has confirmed the violation of the Central Excise Act by Reliance Industries Ltd. in connection with its exports of Partially Oriented Yarn (POY), if so, the details of the action taken in the matter; and

(b) whether Government are aware that in a statement to the "Economic Times", published on 7th October, 1994, a Reliance Spokesman said "Neither the Company nor any of its executives are in any way responsible for any evasion of customs duties